

**WELLINGTON UNIFIED SCHOOL DISTRICT NUMBER 353**

FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT

June 30, 2018

**Wellington Unified School District Number 353**

**FINANCIAL STATEMENT  
For the Year Ended June 30, 2018**

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# Wellington Unified School District Number 353

## FINANCIAL STATEMENT For the Year Ended June 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District Number 353  
Wellington, Kansas

### Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 353 (Municipality Only) of Wellington, Kansas, as of and for the year ended June 30, 2018 and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in these circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

#### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by Unified School District Number 353 of Wellington, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 353 of Wellington, Kansas as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Wellington Unified School District Number 353 of Wellington, Kansas as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

### **Other Matters**

#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

#### ***Other reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2018, on our consideration of Unified School District Number 353's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wellington Unified School District Number 353 of Wellington's internal control over financial reporting and compliance.

#### ***Prior Year Comparative***

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we have rendered an unmodified opinion dated November 2, 2018. The 2017 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the website of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the basic financial statement itself, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note C.

*Glick & Goodert, Chartered*

Ottawa, Kansas  
November 2, 2018

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# Wellington Unified School District NO. 353

## SUMMARY OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH AND INVESTMENTS

### REGULATORY BASIS

For the Year Ended June 30, 2018

	<b>Beginning Unencumbered Cash and Investment</b>	<b>Prior Year Cancelled Encumbrances</b>
<b>Governmental type funds</b>		
<b>General funds</b>		
General	\$ 0	\$ 0
Supplemental general	104,900	0
<b>Special purpose funds</b>		
At risk (4 year old)	0	0
At risk (K-12)	122,778	0
Bilingual Education	0	0
Capital outlay	1,658,368	0
Driver training	11,154	0
Food service	189,936	0
KPERS special retirement contribution fund	0	0
Professional development	0	0
Special education	715,263	0
Vocational education	50,378	0
Recreation Commission	21,189	0
Recreation Commission Employee Benefits	5,545	0
Textbook and student material revolving	428,963	0
Contingency Reserve	1,442,192	0
Kansas Reading Roadmap	(29,923)	0
Federal Projects	85,512	0
Local Grants	95,609	0
District Activity Funds		
Gate receipts	20,898	0
School projects/User Fees and Sales Tax	38,554	0
<b>Bond and Interest fund</b>		
Bond and interest	1,862,380	0
<b>Capital projects:</b>		
Capital Projects - High School	525,000	0
<b>Trust Funds</b>		
Scholarships	147,614	0
Total reporting entity (excluding agency funds)	\$ 7,496,311	\$ 0

### Composition of ending cash and investments

#### Demand deposits

Impact Bank	\$ 93,390
Impact Bank - activity funds	184,297
Security State Bank	6,302,249
Security State Bank - activity funds	7,854
Security State Bank - certificates of deposit - scholarships	289,004
Commerce Bank - activity funds	59,911

The accompanying notes are an integral part of this statement

**Statement 1**

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash and Investment</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash and Investment</u>
\$ 10,722,616	\$ 10,722,616	\$ 0	\$ 85,924	\$ 85,924
3,619,109	3,491,728	232,281	13,282	245,563
23,112	23,112	0	0	0
1,420,000	1,419,094	123,684	23,308	146,992
7,611	7,611	0	0	0
1,183,925	852,702	1,989,591	246	1,989,837
21,834	23,910	9,078	0	9,078
774,115	744,359	219,692	7,672	227,364
1,216,169	1,216,169	0	0	0
73,138	42,986	30,152	0	30,152
3,638,124	3,634,829	718,559	3,271	721,830
420,101	409,774	60,705	3,863	64,568
397,200	400,000	18,389	0	18,389
71,375	72,650	4,270	0	4,270
118,468	205,200	342,231	0	342,231
0	0	1,442,192	0	1,442,192
232,021	223,548	(21,450)	4,568	(16,882)
454,285	518,751	21,046	6,269	27,315
31,294	23,390	103,513	942	104,455
80,206	80,814	20,290	0	20,290
138,116	131,600	45,070	0	45,070
2,093,025	2,159,549	1,795,856	0	1,795,856
0	0	525,000	0	525,000
238,840	97,450	289,004	0	289,004
<u>\$ 26,974,684</u>	<u>\$ 26,501,841</u>	<u>\$ 7,969,153</u>	<u>\$ 149,345</u>	<u>\$ 8,118,498</u>

**Composition of ending cash and investments - continued****US Treasury Securities:**

First National Bank \$ 525,000

**Time Deposits**

Security Bank 843,495

Total cash and investments 8,305,200

Agency funds per Schedule 3 (186,702)

**Total Reporting Entity (excluding Agency Funds)** \$ 8,118,498



## Wellington Unified School District Number 353

### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

#### NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 353 is a municipal corporation governed by an elected seven-member board. This financial statement presents the Wellington Unified School District Number 353 (the municipality only).

**Recreation Commission** – The Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body, but the District levies the taxes for the Recreation Commission, and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property, but can acquire real property by gift. The Recreation Commission is audited by other auditors and audited financial statements were not available for presentation with Wellington Unified School District Number 353 as a related municipal entity.

#### NOTE B. REGULATORY BASIS TYPES OF FUNDS

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potential could have the following types of funds.

**General Fund** - the chief operating fund. Used to account for all resources except those required to be accounted for in other funds.

**Special Purpose Funds** - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

**Bond and Interest Fund** - used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

**Capital Project Fund** - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment

**Trust fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.). The District did not have any trust funds.

**Agency Funds** - funds used to report assets held by municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collections accounts, etc.).

#### NOTE C: BASIS OF ACCOUNTING

*Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America* - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Unified School District Number 353 of Wellington, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

# Wellington Unified School District Number 353

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**Adjustment to Comply with Legal Max-** Unified school districts should use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" Budget. The Kansas State Department of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to lower of the published budget or the "Legal Max" budget.

**Adjustment for Qualifying Budget Credits** – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

**Textbook and student material revolving**  
**Contingency**  
**Kansas Reading Roadmap**  
**Federal Grants**  
**Local Grants**

**Capital Projects High School**  
**Scholarships**  
**Gate Receipts Fund**  
**School Projects Fund**  
**User Fees**

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

# Wellington Unified School District Number 353

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

The District had the following investments and maturities as of June 30, 2018. Fair value is based upon quoted market values:

Investment Type	Cost	Fair Value	Unrealized gain (loss)	Investment Maturities		Percent of Investment	Rating U.S.
				Less than 1 yr	2 yrs		
US Treasury Notes	\$ 525,000	\$ 513,292	\$ (11,708)	\$ 0	\$ 525,000	100%	AA+

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the District or in an adjoining District if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District rates investments (if any) as noted.

*Concentration of credit risk* - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2018, is as follows:

Investments	Percentage of Investments
U.S. Treasury Notes	100%

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year.

At June 30, 2018, the carrying amount of the District's bank deposits was \$8,305,200 (which includes petty cash funds) and the bank balance was \$7,652,084. The bank balance was held by three banks thus reducing concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance \$559,911 was covered by federal depository insurance and \$7,092,173 was collateralized with securities held by the pledging financial institution's agents in the District's name.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The District had no such investments at year end.

### NOTE F. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$505,855 for general fund and \$221,195 for supplemental general fund subsequent to June 30, 2018 and as required by K.S.A. 72-6466 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

# Wellington Unified School District Number 353

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### NOTE G. CAPITAL PROJECTS

Capital project authorizations with approved changed orders compared to expenditures are as follows.

Project Name	Project Authorization	Total	Expended to Date	Encumbered June 30, 2016
District Wide Building Additions and Renovations	\$ 11,555,715	\$ 11,555,715	\$ 11,555,715	\$ -

### NOTE H. LONG-TERM DEBT

Long-term obligations consisted of the following during the year:

Issue	Interest Rates	Date of Issue	Original Issue	Date of Final Maturity
General Obligation				
Series 2011	3%-3.35%	9/1/2011	1,650,000	9/1/2026
Series 2014	3%-5%	8/1/2014	11,785,000	9/1/2034
Series 2015	2%-3%	6/1/2014	9,325,000	9/1/2026
Series 2016	2%-3%	5/1/2016	6,085,000	9/1/2024

Changes in long-term liabilities for the Wellington Unified School District for the year ended June 30, 2018 were as follows:

	Beginning Balance	Additions	Reductions/ Payments	Ending Balance	Interest Paid
General Obligation					
Series 2011	1,575,000	0	15,000	1,560,000	51,205
Series 2014	11,785,000	0	0	11,785,000	414,693
Series 2015	9,325,000	0	45,000	9,280,000	278,350
Series 2016	6,085,000	0	1,210,000	4,875,000	145,300
	<u>\$ 28,770,000</u>	<u>\$ 0</u>	<u>\$ 1,270,000</u>	<u>\$ 27,500,000</u>	<u>\$ 889,548</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year								Total
	2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2035	
General Obligation Bonds									
Principal	\$ 1,375,000	\$ 1,425,000	\$ 1,490,000	\$ 1,560,000	\$ 1,605,000	\$ 9,695,000	\$ 7,020,000	\$ 3,330,000	\$ 27,500,000
Interest	862,923	827,699	783,973	738,224	690,749	2,588,949	1,139,800	112,722	7,745,039
Total principal and interest	<u>\$ 2,237,923</u>	<u>\$ 2,252,699</u>	<u>\$ 2,273,973</u>	<u>\$ 2,298,224</u>	<u>\$ 2,295,749</u>	<u>\$ 12,283,949</u>	<u>\$ 8,159,800</u>	<u>\$ 3,442,722</u>	<u>\$ 35,245,039</u>

The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25<sup>th</sup>. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2018, the statutory limit for the District was \$9,962,568 thus creating an excess over the limit of \$17,537,432. The outstanding bond principal represents 46.83% of the District valuation. The District has permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

# Wellington Unified School District Number 353

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### NOTE H. LONG-TERM DEBT - continued

Changes in long-term obligations, other than debt, for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Net Change	Balance June 30, 2018
Compensated absences	\$ 20,678	\$ 805	\$ 21,483

### NOTE I. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Bilingual Education	K.S.A. 72-6478	\$ 7,611
General	At-Risk (4 yr old)	K.S.A. 72-6478	23,112
General	Special Education	K.S.A. 72-6478	2,123,630
General	Capital Outlay	K.S.A. 72-6478	23,652
General	Textbook and Student	K.S.A. 72-6478	41,063
General	At-Risk (K-12)	K.S.A. 72-6478	1,300,000
Supplemental General	Capital Outlay	K.S.A. 72-6429	100,000
Supplemental General	Vocational Education	K.S.A. 72-6430	420,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-6430	120,000
Supplemental General	Special Education	K.S.A. 72-6430	1,000,000
Supplemental General	Food Service	K.S.A. 72-6430	600
Supplemental General	Professional Development	K.S.A. 72-6430	50,000

### NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

**Other Post Employment Benefits:** As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**Compensated Absences:** Certified employees are provided 5 days of personal leave each school year. Classified full-time employees are provided 10 days paid vacation annually, after one full year of employment. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated. Hence, there is no estimated liability for accrued vacation pay at June 30, 2018. Certified employees are granted 11 days of leave per year with the ability to accumulate up to 120 days of sick leave if the days are not used in the current year. All classified employees shall accrue sick leave at a rate of one work day per month of active employment based on the number of hours normally worked. Personnel employed for more than nine months but less than twelve months shall accrue 10 days per year of sick leave. Sick leave may be accumulated up to 120 days for full time employees and 90 days for employees who do not work 12 months a year. Full time teachers who terminate or retire will not be paid for their unused sick leave. Full-time teachers who have served the district for five consecutive years are eligible to receive a severance payment upon leaving employment with Unified School District No. 353.

**Leases:** The District has an equipment lease for a 2016 Bobcat with a final payment made in July 2017 of \$4,216.

## Wellington Unified School District Number 353

### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

#### NOTE K: PENSION PLANS

##### Defined Benefit Pension Plan

**Plan description.** The District participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions.** K.S.A. 74-4919 and K.S.A. 74-49210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30<sup>th</sup> was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution, which totaled \$1,216,169 for the year ended June 30, 2018.

**Net Pension Liability.** At June 30, 2018, the District's proportionate share of the collective net pension liability reported for KPERS was \$14,154,581. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportionate share of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at <http://www.kpers.org> or can be obtained as described above.

## Wellington Unified School District Number 353

### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

#### NOTE L. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; injuries to persons and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

#### NOTE M. OTHER INFORMATION

##### **Flexible Benefit Plan (I.R.C. Section 125)**

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District who work 17.5 hours per week in a school year position or .45 FTE are eligible to participate in the Plan beginning the first of the month following 30 days of employment. Each participant may elect to reduce his or her salary by an elected amount per month, or have a specific amount deducted, to purchase benefits offered through the Plan. Currently, benefits offered through the Plan include insurance coverage, medical reimbursement, and dependent care reimbursement.

**Reimbursed Expenses:** The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits

**Contingencies:** The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2018.

**Compliance with Kansas Statutes:** The District is not aware of any statutory violations during the period covered by the audit. Kansas Reading Roadmap does show a negative cash at year end, however this is a grant and have remaining grant proceeds which will result in a positive position.

**Ad valorem tax revenues:** The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20<sup>th</sup>, prior to the fiscal year for which they are budgeted and the second half is due the following May 10<sup>th</sup>. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The District Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

#### NOTE N. SUBSEQUENT EVENTS

**Subsequent Events:** The District evaluated subsequent events through November 2, 2018, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.



Regulatory Basis  
Supplementary information

**Wellington Unified School District NO. 353**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
(Budgeted Funds Only)  
For the Year Ended June 30, 2018**

	<b>Certified Budget</b>	<b>Adjustment To Comply With Legal Max *</b>
<b>Governmental type funds</b>		
<b>General funds</b>		
General	\$ 11,316,149	\$ (632,948)
Supplemental general	3,728,951	(213,726)
<b>Special purpose funds</b>		
At risk 4 yr old	41,000	0
At risk (K-12)	1,872,404	0
Bilingual Education	7,611	0
Capital outlay	2,653,908	0
Driver training	38,754	0
Food service	873,780	0
KPERS special retirement contribution fund	1,276,927	0
Professional developemnt	113,252	0
Special education	3,736,700	0
Vocational education	431,400	0
Recreation Commission	400,000	0
Recreation Commission Employee Benefits	72,650	0
<b>Bond and Interest funds</b>		
Bond and interest	2,159,549	0

**Schedule 1**

<b><u>Adjustment for Qualifying Budget Credits *</u></b>	<b><u>Total Budget For Comparison</u></b>	<b><u>Expenditures Chargeable to Current Year</u></b>	<b><u>Variance Over (Under)</u></b>
\$ 39,415	\$ 10,722,616	\$ 10,722,616	\$ 0
0	3,515,225	3,491,728	(23,497)
0	41,000	23,112	(17,888)
0	1,872,404	1,419,094	(453,310)
0	7,611	7,611	0
0	2,653,908	852,702	(1,801,206)
0	38,754	23,910	(14,844)
0	873,780	744,359	(129,421)
0	1,276,927	1,216,169	(60,758)
0	113,252	42,986	(70,266)
0	3,736,700	3,634,829	(101,871)
0	431,400	409,774	(21,626)
0	400,000	400,000	0
0	72,650	72,650	0
0	2,159,549	2,159,549	0

**Wellington Unified School District NO. 353**

**Schedule 2 - A**

GENERAL FUNDS  
GENERAL

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Local sources</b>				
Interest on Idle Funds	\$ 77,827	\$ 0	\$ 0	\$ 0
Reimbursements	305	39,415	0	39,415
<b>State sources</b>				
General State Aid	8,427,595	8,556,055	9,219,149	(663,094)
Special Education Aid	2,047,065	2,123,635	2,097,000	26,635
KPERS Aid	773,895	0	0	0
Mineral Production Tax	3,910	3,511	0	3,511
<b>Total cash receipts</b>	<u>11,330,597</u>	<u>10,722,616</u>	<u>\$ 11,316,149</u>	<u>\$ (593,533)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Certified	3,612,862	3,772,185	\$ 3,900,000	\$ (127,815)
Non-Certified	22,319	20,368	30,000	(9,632)
Employee Benefits				
Insurance	267,381	345,169	300,000	45,169
Social Security	265,063	281,837	303,000	(21,163)
Other	56,740	(1,328)	145,000	(146,328)
Other Purchased Services				
Other	2,050	17,329	3,000	14,329
Supplies				
General Supplemental Teaching	16,424	40,331	50,000	(9,669)
<b>Student support services</b>				
Salaries				
Certified	43,686	32,325	45,000	(12,675)
Employee Benefits				
Insurance	20,782	0	25,000	(25,000)
Social Security	3,342	2,473	3,450	(977)
Purchased Professional & Technical Services	36,853	47,908	40,000	7,908
Other Purchased Services	26,780	27,994	20,000	7,994
Supplies	602	739	1,000	(261)
Property	6,675	910	10,000	(9,090)
<b>Instructional Support Staff</b>				
Salaries				
Certified	57,548	111,918	65,000	46,918
Non-Certified	71,361	103,087	85,000	18,087
Employee Benefits				
Insurance	11,177	26,873	0	26,873
Social Security	9,448	15,853	11,000	4,853
Other	266	600	11,500	(10,900)
Supplies				
Books and Periodicals	6,411	15,492	7,000	8,492

See Independent Auditor's Report.

## Wellington Unified School District NO. 353

Schedule 2 - AGENERAL FUNDS  
GENERALSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017 Actual	2018		Variance Over (Under)
		Actual	Budget	
<b>Expenditures (Continued)</b>				
<b>General Administration</b>				
Employee Benefits				
Insurance	\$ 9,425	\$ (4,987)	\$ 0	\$ (4,987)
Social Security	386	0	0	0
Other	5,079	0	0	0
Purchased Professional & Technical Services	45,808	68,362	0	68,362
Other Purchased Services				
Communications	5,815	3,934	0	3,934
Other	4,333	2,894	0	2,894
Supplies	8,142	13,411	0	13,411
Other	424	3,251	0	3,251
<b>School Administration</b>				
Salaries				
Non-Certified	165,535	169,191	175,000	(5,809)
Employee Benefits				
Insurance	60,460	15,897	65,000	(49,103)
Social Security	8,006	12,625	13,400	(775)
Purchased Professional & Technical Services	12,492	22,827	0	22,827
Other Purchased Services				
Property	0	0	10,000	(10,000)
Communications	5,742	5,690	5,000	690
Other	2,678	4,180	3,000	1,180
Supplies	3,211	5,066	3,000	2,066
<b>Central Services</b>				
Salaries				
Non-Certified	140,615	199,848	150,000	49,848
Employee Benefits				
Insurance	7,875	16,450	0	16,450
Social Security	4,584	13,521	12,000	1,521
Other	500	1,000	0	1,000
Other Purchased Services	990	484	50,000	(49,516)
Supplies	23,147	36,346	5,000	31,346
<b>Operations &amp; Maintenance</b>				
Salaries				
Non-Certified	157,249	253,297	175,000	78,297
Employee Benefits				
Insurance	22,446	34,174	20,000	14,174
Social Security	11,256	18,492	13,400	5,092
Purchased Property Services				
Insurance	0	30,891	0	30,891
Water/Sewer	62,294	67,455	65,000	2,455
Cleaning	6,316	8,588	20,000	(11,412)
Repairs & Maintenance	46,044	99,286	50,000	49,286
Repair of Buildings	804	4,622	0	4,622
Other	11,176	52,127	15,000	37,127

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - A**

GENERAL FUNDS  
GENERAL

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017 Actual	2018		Variance Over (Under)
		Actual	Budget	
<b>Expenditures (Continued)</b>				
<b>Operations &amp; Maintenance (Continued)</b>				
Supplies				
General Supplies	\$ 22,959	\$ 69,344	\$ 30,000	\$ 39,344
Energy				
Heating	68,985	70,332	72,000	(1,668)
Electricity	706,073	621,061	678,118	(57,057)
Motor Fuel	43,183	62,345	50,000	12,345
Miscellaneous Supplies	13,863	36,946	20,000	16,946
Property	259	5,582	5,000	582
<b>Student Transportation Services</b>				
Contracting of Bus Service	292,273	315,936	310,000	5,936
Motor Fuel	292	113	60,000	(59,887)
<b>Other Support services</b>				
Workers Comp Insurance	390	275	0	275
Retiree Annuities	120,517	0	0	0
Business & other Support FICA	3,366	0	0	0
Purchased Professional and Technical Services	0	(438)	0	(438)
Business Office Supplies	0	1,067	0	1,067
Other	700,796	0	0	0
<b>Transfers</b>				
Bilingual Education	0	7,611	7,611	0
Capital Outlay Fund	250,000	23,652	0	23,652
Special Education Fund	2,047,065	2,123,630	2,348,119	(224,489)
Vocational Education Fund	40,000	0	40,000	(40,000)
KPERS Fund	773,895	0	0	0
Contingency Fund	550,135	0	0	0
Textbook	0	41,063	0	41,063
At Risk (4 yr old) Fund	30,816	23,112	41,000	(17,888)
At Risk (K-12) Fund	300,000	1,300,000	1,749,551	(449,551)
<b>Adjustments to comply with     legal max</b>	0	0	(632,948)	632,948
<b>Legal general fund budget and expenditures</b>	11,335,469	10,722,616	10,683,201	39,415
<b>Adjustment for qualifying budget credits</b>	0	0	39,415	(39,415)
 Total expenditures	<u>11,335,469</u>	<u>10,722,616</u>	<u>\$ 10,722,616</u>	<u>\$ 0</u>
 Receipts over (under) expenditures	(4,872)	0		
 Unencumbered cash (deficit), July 1	<u>4,872</u>	<u>0</u>		
 Unencumbered cash (deficit), June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - B**

GENERAL FUNDS  
SUPPLEMENTAL GENERAL

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017 Actual	2018		Variance Over (Under)
		Actual	Budget	
<b>Cash receipts</b>				
<b>Local sources</b>				
Ad valorem tax	\$ 1,088,225	\$ 49,956	\$ 1,197,292	\$ (1,147,336)
Delinquent tax	38,161	48,162	17,517	30,645
Motor vehicle tax	127,025	1,342,188	135,032	1,207,156
Recreational Vehicle Tax	1,532	1,780	1,767	13
Other	0	0	3,811	(3,811)
<b>State sources</b>				
Supplemental aid	2,205,630	2,177,023	2,184,452	(7,429)
Total cash receipts	3,460,573	3,619,109	\$ 3,539,871	\$ 79,238
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Certified	0	0	\$ 300,000	\$ (300,000)
Noncertified	0	0	50,000	(50,000)
Employee Benefits				
Insurance	4,143	(23,497)	80,000	(103,497)
Supplies				
General Supplemental	63,829	102,126	168,062	(65,936)
Supplies - Tech	0	0	50,000	(50,000)
Property	89,600	(55,031)	300,000	(355,031)
Other	0	0	80,000	(80,000)
<b>Instruction Support Services</b>				
Salaries				
Certified	142,940	143,834	0	143,834
Noncertified	0	0	200,000	(200,000)
Employee Benefits				
Insurance	6,300	12,600	0	12,600
Social Security	10,565	10,770	15,300	(4,530)
Purchase Property Services	0	0	50,000	(50,000)
Supplies				
Technology Supplies	110,151	441,224	200,000	241,224
Miscellaneous Supplies	80,684	40,800	120,000	(79,200)
Other	20,491	5,734	25,000	(19,266)
<b>General Administration</b>				
Salaries				
Certified	201,408	199,000	210,000	(11,000)
Employee Benefits				
Insurance	2,341	9,614	0	9,614
Social Security	15,900	14,721	16,000	(1,279)
Other	1,000	2,000	0	2,000
Other Purchased Services				
Insurance	0	(14,785)	175,000	(189,785)

See Independent Auditor's Report.



**Wellington Unified School District NO. 353**

**Schedule 2 - B**

GENERAL FUNDS  
SUPPLEMENTAL GENERAL

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		<b>Variance Over (Under)</b>
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>School Administration</b>				
Salaries				
Certified	\$ 493,102	\$ 567,375	\$ 600,000	\$ (32,625)
Employee Benefits				
Insurance	16,100	28,000	0	28,000
Social Security	39,315	41,934	45,900	(3,966)
Other	10,945	8,500	0	8,500
Purchased Professional & Tech.	0	0	50,000	(50,000)
Purchased Property Services	0	0	25,000	(25,000)
Other Purchased Services	0	0	15,000	(15,000)
<b>Central Services</b>				
Salaries				
Noncertified	143,006	130,803	150,000	(19,197)
Employee Benefits				
Insurance	4,725	7,532	0	7,532
Social Security	6,865	9,523	11,500	(1,977)
Other	300	450	0	450
<b>Operations and Maintenance</b>				
Purchased Property Services				
Repair of Buildings	0	(5,387)	100,000	(105,387)
Supplies				
General Supplies	0	0	50,000	(50,000)
Heating	(185)	0	0	0
Electricity	0	0	200,000	(200,000)
Other Purchased Services				
Insurance	155,572	123,288	0	123,288
<b>Transfers</b>				
Food Service	0	600	0	600
Professional Development	0	50,000	101,927	(51,927)
Special Education Fund	600,000	1,000,000	0	1,000,000
Vocational Education Fund	345,000	420,000	340,262	79,738
At Risk (K-12) Fund	896,000	120,000	0	120,000
Capital Outlay	0	100,000	0	100,000
<b>Adjustment to comply with legal max</b>	<u>0</u>	<u>0</u>	<u>(213,726)</u>	<u>213,726</u>
<b>Legal supplemental general fund budget and expenditures</b>	<u>3,460,097</u>	<u>3,491,728</u>	<u>3,515,225</u>	<u>(23,497)</u>
<b>Adjustment for qualifying budget credits</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total expenditures</b>	<u>3,460,097</u>	<u>3,491,728</u>	<u>\$ 3,515,225</u>	<u>\$ (23,497)</u>
Receipts over (under) expenditures	476	127,381		
Unencumbered cash (deficit), July 1	<u>104,424</u>	<u>104,900</u>		
Unencumbered cash (deficit), June 30	\$ <u>104,900</u>	\$ <u>232,281</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - C****SPECIAL PURPOSE FUNDS  
AT RISK 4 YEAR OLD****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<b>2017 Actual</b>	<b>2018</b>		<b>Variance Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
<b>Local Sources</b>				
Transfer from General Fund	\$ 30,816	\$ 23,112	\$ 41,000	\$ (17,888)
	<u>30,816</u>	<u>23,112</u>	<u>41,000</u>	<u>(17,888)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Purchased Professional & Technical Services	<u>30,816</u>	<u>23,112</u>	<u>\$ 41,000</u>	<u>\$ (17,888)</u>
Total expenditures	<u>30,816</u>	<u>23,112</u>	<u>\$ 41,000</u>	<u>\$ (17,888)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - D**

SPECIAL PURPOSE FUNDS  
AT RISK (K-12)

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Other</b>				
Transfers				
General	\$ 300,000	\$ 1,300,000	\$ 1,749,551	\$ (449,551)
Supplemental General	896,000	120,000	0	120,000
Total cash receipts	<u>1,196,000</u>	<u>1,420,000</u>	<u>\$ 1,749,551</u>	<u>\$ (329,551)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Certified	1,103,008	1,105,099	\$ 1,400,000	\$ (294,901)
Non-Certified	43,996	23,082	100,000	(76,918)
Employee Benefits				
Social Security	81,122	80,536	115,000	(34,464)
Other	7,338	96,595	86,039	10,556
Purchased Professional & Tech.	0	50,000	0	50,000
Property	(1,050)	0	50,000	(50,000)
Supplies				
General supplies	0	0	75,165	(75,165)
Supplies- Tech	0	49,995	20,000	29,995
Misc. Supplies	0	0	10,000	(10,000)
<b>Operations and Maintenance</b>				
Purchased Property Services				
Water/Sewer	952	452	1,200	(748)
Supplies				
Electricity	<u>10,890</u>	<u>13,335</u>	<u>15,000</u>	<u>(1,665)</u>
Total expenditures	<u>1,246,256</u>	<u>1,419,094</u>	<u>\$ 1,872,404</u>	<u>\$ (453,310)</u>
Receipts over (under) expenditures	(50,256)	906		
Unencumbered cash, July 1	<u>173,034</u>	<u>122,778</u>		
Unencumbered cash, June 30	<u>\$ 122,778</u>	<u>\$ 123,684</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - E****SPECIAL PURPOSE FUNDS  
BILINGUAL EDUCATION****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Cash receipts</b>				
<b>Other</b>				
Transfers from General	\$ 0	\$ 7,611	\$ 7,611	\$ 0
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Non-Certified	0	7,611	<u>7,611</u>	<u>0</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	<u>0</u>	<u>0</u>		

**Wellington Unified School District NO. 353**

**Schedule 2 - F**

SPECIAL PURPOSE FUNDS  
CAPITAL OUTLAY

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		<b>Variance Over (Under)</b>	
	<b>2017 Actual</b>	<b>Actual</b>	<b>Budget</b>		
<b>Cash receipts</b>					
<b>Local sources</b>					
Ad Valorem Property	\$ 521,222	\$ 537,003	\$ 537,788	\$	(785)
Delinquent tax	10,244	15,774	8,385		7,389
Interest on idle funds	0	87,870	5,000		0
Reimbursement	4,819	30,999	0		30,999
Other	25,000	0	30,000		(30,000)
<b>County sources</b>					
Motor Vehicle Tax	56,436	71,695	66,224		5,471
Recreational Vehicle Tax	636	864	867		(3)
Commercial Vehicle Tax			1,869		(1,869)
In Lieu of Taxes IRB	0	0	0		0
<b>State sources</b>					
Capital outlay state aid	300,178	316,068	318,802		(2,734)
<b>Other</b>					
Transfers from General	250,000	23,652	0		23,652
Transfers from Supplemental General	0	100,000	0		100,000
<b>Total cash receipts</b>	<u>1,168,535</u>	<u>1,183,925</u>	<u>\$ 968,935</u>	\$	<u>214,990</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Supplies - performance uniforms	0	0	\$ 50,000	\$	(50,000)
Supplies - technology software	0	0	80,000		(80,000)
Property	266,843	108,014	300,000		(191,986)
<b>Support Services</b>					
Supplies - technology software			20,000		(20,000)
<b>General Administration</b>					
Property	4,442	4,422	50,000		(45,578)
<b>School Administration</b>					
Supplies - technology software	0	3,314	0		3,314
<b>Operation and maintenance</b>					
Salaries					
Noncertified	234,225	192,830	450,000		(257,170)
Employee benefits					
Insurance	38,866	23,486	75,000		(51,514)
Social security	5,348	14,196	34,500		(20,304)
Other	87,708	2,849	150,000		(147,151)
Purchased Property Services					
Repair of Buildings	0	0	344,408		(344,408)
Other Purchased Services	0	0	100,000		(100,000)
Supplies - technology software	52,867	37,829	100,000		(62,171)
Property	131,710	9,118	50,000		(40,882)

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - F****SPECIAL PURPOSE FUNDS  
CAPITAL OUTLAY****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<b>2017 Actual</b>	<b>2018</b>		<b>Variance Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Expenditures - continued</b>				
<b>Facility acquisition and services</b>				
Architectural & Engineering	\$ 0	\$ 0	\$ 700,000	\$ (700,000)
Site Improvement	<u>126,696</u>	<u>456,644</u>	<u>150,000</u>	<u>306,644</u>
Total expenditures	<u>948,705</u>	<u>852,702</u>	<u>\$ 2,653,908</u>	<u>\$ (1,801,206)</u>
Receipts over (under) expenditures	219,830	331,223		
Unencumbered cash, July 1	<u>1,438,538</u>	<u>1,658,368</u>		
Unencumbered cash, June 30	<u>\$ 1,658,368</u>	<u>\$ 1,989,591</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - G****SPECIAL PURPOSE FUNDS  
DRIVER TRAINING****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<b>2017 Actual</b>	<b>2018</b>		<b>Variance Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash receipts</b>				
<b>Local sources</b>				
Other	\$ 12,650	\$ 11,850	\$ 15,000	\$ (3,150)
<b>State sources</b>				
State safety aid	10,624	9,984	12,600	(2,616)
Total cash receipts	23,274	21,834	\$ 27,600	\$ (5,766)
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Certified	17,411	18,116	\$ 25,000	\$ (6,884)
Employee Benefits				
Social Security	1,305	1,360	1,950	(590)
Supplies				
General supplemental (teaching)	108	0	2,000	(2,000)
Misc. Supplies	0	109	1,000	(891)
Other	300	0	4,154	(4,154)
<b>School administration</b>				
Salaries				
Non Certified	1,330	2,503	1,500	1,003
Employee Benefits				
Social Security	102	191	150	41
Property	18,426	0	0	0
<b>Vehicle operations, maintenance services</b>				
Rental of Vehicles	3,098	0	500	(500)
Insurance	0	0	1,500	(1,500)
Other Purchased Services	641	1,631	1,000	631
Total expenditures	42,721	23,910	\$ 38,754	\$ (14,844)
Receipts over (under) expenditures	(19,447)	(2,076)		
Unencumbered cash, July 1	30,601	11,154		
Unencumbered cash, June 30	\$ 11,154	\$ 9,078		



**Wellington Unified School District NO. 353**

**Schedule 2 - H**

SPECIAL PURPOSE FUNDS  
FOOD SERVICE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance Over Under
	2017 Actual	Actual	Budget	
Cash receipts				
Local Sources				
Student Sales (Lunch)	\$ 192,975	\$ 183,133	\$ 190,675	\$ (7,542)
Student Sales (Breakfast)	0	0	5,820	(5,820)
Adult and Student Sales	16,012	11,043	1,925	9,118
Miscellaneous	2,779	323	10,000	(9,677)
State Sources				
School Food Assistance	10,784	7,625	6,900	725
Federal Sources				
Child Nutrition Programs	596,465	571,391	468,349	103,042
Transfers				
Supplemental General	0	600	0	600
Total cash receipts	819,015	774,115	\$ 683,669	\$ 90,446
Expenditures				
Operations and Maintenance				
Salaries				
Non - Certified	3,431	1,196	\$ 40,000	\$ (38,804)
Employee Benefits				
Social Security	250	87	3,000	(2,913)
Other	404	268	0	268
Other Purchased Services	0	735	0	735
Supplies				
Motor Fuel	570	0	0	0
Other	34,869	67,319	50,000	17,319
Food Service operation				
Salaries				
Non - Certified	19,763	18,335	80,000	(61,665)
Employee Benefits				
Social Security	1,454	1,368	6,120	(4,752)
Other	33	43	0	43
Supplies				
Food and Milk	782	376	0	376
Other Purchased Services				
Food Service Management	572,935	582,127	650,000	(67,873)
Grant Expenses	24,558	25,747	0	25,747
Property	78,321	44,299	40,000	4,299
Other	1,430	2,459	4,660	(2,201)
Transfers to:				
21st Century grant	53,093	0	0	0
Total expenditures	791,893	744,359	\$ 873,780	\$ (129,421)
Receipts over (under) expenditures	27,122	29,756		
Unencumbered cash, July 1	162,814	189,936		
Unencumbered cash, June 30	\$ 189,936	\$ 219,692		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - I**

SPECIAL PURPOSE FUNDS  
KPERs SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>State sources</b>				
KPERs	\$ 0	\$ 1,216,169	\$ 1,276,927	\$ (60,758)
<b>Other</b>				
Transfers from general	773,895	0	0	0
	<u>773,895</u>	<u>1,216,169</u>	<u>\$ 1,276,927</u>	<u>\$ (60,758)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Employee Benefits	557,282	882,136	\$ 919,515	\$ (37,379)
<b>Student Support</b>				
Employee Benefits	49,839	89,723	82,234	7,489
<b>Instructional Support</b>				
Employee Benefits	22,443	48,400	37,031	11,369
<b>General Administration</b>				
Employee Benefits	28,789	39,733	47,502	(7,769)
<b>School Administration</b>				
Employee Benefits	52,934	83,698	87,341	(3,643)
<b>Central Services</b>				
Employee Benefits	0	3,669	0	3,669
<b>Other Supplemental Services</b>				
Employee Benefits	8,827	10,547	14,565	(4,018)
<b>Operations and Maintenance</b>				
Employee Benefits	33,200	38,434	54,780	(16,346)
<b>Food Service</b>				
Employee Benefits	20,581	19,829	33,959	(14,130)
	<u>773,895</u>	<u>1,216,169</u>	<u>\$ 1,276,927</u>	<u>\$ (60,758)</u>
Total expenditures				
	0	0		
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - J**

SPECIAL PURPOSE FUNDS  
PROFESSIONAL DEVELOPMENT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>State sources</b>				
State aid	\$ 0	\$ 23,138	\$ 11,325	\$ 11,813
<b>Other</b>				
Transfers from Supplemental General	0	50,000	101,927	(51,927)
	<u>0</u>	<u>73,138</u>	<u>\$ 113,252</u>	<u>\$ (40,114)</u>
<b>Expenditures</b>				
<b>Instructional Support</b>				
Purchased Professional and Technical Services	0	42,349	\$ 113,252	\$ (70,903)
Other Purchased Services	<u>0</u>	<u>637</u>	<u>0</u>	<u>637</u>
Total expenditures	<u>0</u>	<u>42,986</u>	<u>\$ 113,252</u>	<u>\$ (70,266)</u>
Receipts over (under) expenditures	0	30,152		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>30,152</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - K**

SPECIAL PURPOSE FUNDS  
SPECIAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Local Sources</b>				
Other	\$ 3,528	\$ 0	\$ 0	\$ 0
Reimbursements	542	500	0	500
<b>Federal Sources</b>				
Special Ed Aid	412,576	425,610	449,000	(23,390)
Medicaid	113,916	88,384	110,000	(21,616)
<b>Transfers</b>				
Transfer from General	2,047,065	2,123,630	2,348,119	(224,489)
Transfer from Supplemental General	600,000	1,000,000	0	1,000,000
<b>Total cash receipts</b>	<u>3,177,627</u>	<u>3,638,124</u>	<u>\$ 2,907,119</u>	<u>\$ 731,005</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Certified	820,928	870,121	\$ 1,000,000	\$ (129,879)
Non - Certified	838,719	951,924	900,000	51,924
Employee Benefits				
Insurance	115,820	214,891	100,000	114,891
Social Security	119,061	131,674	145,350	(13,676)
Other	26,573	19,986	0	19,986
Purchased Professional and Technical Services	61,089	64,850	75,000	(10,150)
Other Purchased Services				
Tuition	435,735	552,837	500,000	52,837
Other	13,627	68,823	20,000	48,823
Supplies				
General Supplemental	42,146	23,864	45,000	(21,136)
Supplies (technology related)	45	0	0	0
Misc.	5,143	1,876	20,000	(18,124)
Property	4,791	0	0	0
Other	3,041	4,228	2,500	1,728
<b>Student Support Services</b>				
Salaries				
Certified	330,211	348,798	400,000	(51,202)
Employee Benefits				
Insurance	8,400	10,360	50,000	(39,640)
Social Security	24,091	25,452	30,600	(5,148)
Other	6,429	600	0	600
Communications	18,758	19,476	0	19,476

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - K**

SPECIAL PURPOSE FUNDS  
SPECIAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<b>2017 Actual</b>	<b>2018</b>		<b>Variance Over (Under)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Expenditures (Continued)</b>				
<b>General Administration</b>				
Salaries				
Certified	\$ 147,781	\$ 154,509	\$ 175,000	\$ (20,491)
Non - Certified	37,739	39,005	50,000	(10,995)
Employee Benefits				
Insurance	6,790	12,810	7,000	
Social Security	13,144	12,838	17,250	(4,412)
Other	250	1,000	0	1,000
Purchased Professional and Technical Services	1,850	3,047	3,000	47
Other Purchased Services	3,610	7,608	5,000	2,608
Supplies	813	467	1,000	(533)
<b>Student Transportation Services</b>				
Purchased Property services	181,225	93,785	190,000	(96,215)
Total expenditures	3,267,809	3,634,829	\$ 3,736,700	\$ (101,871)
Receipts over (under) expenditures	(90,182)	3,295		
Unencumbered cash, July 1	805,358	715,263		
Cancelled prior year encumbrance	87	0		
Unencumbered cash, June 30	\$ 715,263	\$ 718,559		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 2 - L**

SPECIAL PURPOSE FUNDS  
VOCATIONAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<b>2018</b>		
	<b>2017</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash receipts</b>				
<b>Federal Aid</b>				
Grants	\$ 0	\$ 101	\$ 0	\$ 101
<b>Other</b>				
Transfer from General	40,000	420,000	40,000	380,000
Transfer from Supplemental	345,000	0	340,262	(340,262)
Total cash receipts	<u>385,000</u>	<u>420,101</u>	<u>\$ 380,262</u>	<u>\$ 39,839</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries				
Certified	333,231	336,492	\$ 350,000	\$ (13,508)
Non - Certified	23,450	23,805	40,000	(16,195)
Employee Benefits				
Insurance	2,100	16,221	0	16,221
Social Security	26,612	27,035	29,900	(2,865)
Other	2,267	2,483	0	2,483
Purchased Prof. & Tech Services	143	0	1,000	(1,000)
Supplies				
General Supplemental	4,272	737	5,000	(4,263)
Property	1,498	3,001	4,000	(999)
<b>School Administration</b>				
Other	<u>1,526</u>	<u>0</u>	<u>1,500</u>	<u>(1,500)</u>
Total expenditures	<u>395,099</u>	<u>409,774</u>	<u>\$ 431,400</u>	<u>\$ (21,626)</u>
Receipts over (under) expenditures	(10,099)	10,327		
Unencumbered cash, July 1	<u>60,477</u>	<u>50,378</u>		
Unencumbered cash, June 30	<u>\$ 50,378</u>	<u>\$ 60,705</u>		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - M**SPECIAL PURPOSE FUNDS  
RECREATION COMMISSION GENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017 Actual	2018		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and shared revenue</b>				
Ad valorem property	\$ 330,710	\$ 339,215	\$ 336,069	\$ 3,146
Delinquent tax	9,885	12,805	5,241	7,564
Motor Vehicle tax	46,808	44,642	40,854	3,788
Recreational Vehicle tax	560	538	535	3
Commercial Vehicle Tax	0	0	1,153	(1,153)
<b>Total Cash Receipts</b>	<u>387,963</u>	<u>397,200</u>	<u>\$ 383,852</u>	<u>\$ 13,348</u>
<b>Expenditures</b>				
Community service operations	<u>375,000</u>	<u>400,000</u>	<u>\$ 400,000</u>	<u>\$ 0</u>
Receipts over (under) expenditures	12,963	(2,800)		
Unencumbered cash, July 1	<u>8,226</u>	<u>21,189</u>		
Unencumbered cash, June 30	<u>\$ 21,189</u>	<u>\$ 18,389</u>		

See Independent Auditor's Report.



**Wellington Unified School District NO. 353**Schedule 2 - NSPECIAL PURPOSE FUNDS  
RECREATION COMMISSION EMPLOYEE BENEFITS FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2017 Actual	2018		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and shared revenue</b>				
Ad valorem property	\$ 59,202	\$ 60,450	\$ 59,887	\$ 563
Delinquent tax	1,882	2,430	934	1,496
Motor Vehicle tax	9,039	8,394	7,693	701
Recreational Vehicle Tax	109	101	100	1
Commercial Vehicle Tax	0	0	217	(217)
Total Cash Receipts	70,232	71,375	\$ 68,831	\$ 2,544
<b>Expenditures</b>				
Community service operations	70,000	72,650	\$ 72,650	\$ 0
Receipts over (under) expenditures	232	(1,275)		
Unencumbered cash, July 1	5,313	5,545		
Unencumbered cash, June 30	\$ 5,545	\$ 4,270		

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - O****SPECIAL PURPOSE FUNDS  
TEXTBOOK AND STUDENT MATERIAL REVOLVING - ACTUAL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	<b><u>2017 Actual</u></b>	<b><u>2018 Actual</u></b>
<b>Cash receipts</b>		
<b>Local sources</b>		
Rental fees and books	\$ 50,887	\$ 77,405
<b>Other</b>		
Transfer from General	<u>0</u>	<u>41,063</u>
Total cash receipts	<u>50,887</u>	<u>118,468</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Textbooks	44,908	78,473
<b>Support services</b>		
Miscellaneous supplies		
Other material and supplies	<u>40,917</u>	<u>126,727</u>
Total expenditures	<u>85,825</u>	<u>205,200</u>
Receipts over (under) expenditures	(34,938)	(86,732)
Unencumbered cash, July 1	<u>463,901</u>	<u>428,963</u>
Unencumbered cash, June 30	<u><u>\$ 428,963</u></u>	<u><u>\$ 342,231</u></u>

**Wellington Unified School District NO. 353****Schedule 2 - P****SPECIAL PURPOSE FUNDS  
CONTINGENCY RESERVE****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	<b><u>2017 Actual</u></b>	<b><u>2018 Actual</u></b>
<b>Cash receipts</b>		
<b>Other</b>		
Transfer from General	\$ <u>550,134</u>	\$ <u>0</u>
<b>Expenditures</b>		
<b>Operations &amp; Maintenance</b>	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	550,134	0
Unencumbered cash, July 1	<u>892,058</u>	<u>1,442,192</u>
Unencumbered cash, June 30	\$ <u><u>1,442,192</u></u>	\$ <u><u>1,442,192</u></u>

**Wellington Unified School District NO. 353****Schedule 2 - Q****SPECIAL PURPOSE FUNDS  
KANSAS READING ROADMAP****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	<b><u>2017 Actual</u></b>	<b><u>2018 Actual</u></b>
<b>Cash receipts</b>		
<b>State Sources</b>		
State Aid	\$ <u>79,319</u>	\$ <u>232,021</u>
Total cash receipts	<u>79,319</u>	<u>232,021</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries		
Certified	83,225	168,569
Employee Benefits		
Social Security	6,318	12,684
Supplies		
General Supplemental Teaching	12,920	20,869
<b>Instructional Support Staff</b>		
Purchased Prof. & Tech Services	3,267	4,630
Other	0	4,031
<b>Transportation</b>		
Other	0	12,765
<b>Administration</b>		
Start-up	<u>3,512</u>	<u>0</u>
Total expenditures	<u>109,242</u>	<u>223,548</u>
Receipts over (under) expenditures	(29,923)	8,473
Unencumbered cash, July 1	<u>0</u>	<u>(29,923)</u>
Unencumbered cash, June 30	\$ <u><u>(29,923)</u></u>	\$ <u><u>(21,450)</u></u>

**Wellington Unified School District NO. 353**SPECIAL PURPOSE FUNDS  
FEDERAL GRANTSSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>Title I</u>	<u>Carl Perkins Grant</u>	<u>Title II Teacher Quality</u>
<b>Cash Receipts</b>			
Federal Aid	\$ 348,857	\$ 18,827	\$ 71,820
Other	0	0	0
Transfers in	0	0	0
	<u>348,857</u>	<u>18,827</u>	<u>71,820</u>
Total Cash Receipts			
	<u>348,857</u>	<u>18,827</u>	<u>71,820</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Salaries			
Certified	313,718	0	6,771
Employee Benefits			
Insurance	15,493	0	0
Social Security	23,462	0	618
Other	6,258	0	0
Purchased Professional and Technical Services	0	0	0
Supplies			
General Supplemental	2,773	0	1,508
Equipment and Furnishings	250	0	0
Grant Expenses	0	0	0
<b>Support Services</b>			
Salaries			
Certified	0	4,248	0
Employee Benefits			
Social Security	0	313	0
Purchased Professional and Technical Services	0	16,672	0
Other Purchased Services	0	10,011	0
Supper Program Expenses	0	0	0
Other	1,002	1,500	0
Property	0	0	56,996
<b>Central Services</b>			
Other	0	0	7,291
	<u>362,956</u>	<u>32,744</u>	<u>73,184</u>
Total Expenditures			
	<u>362,956</u>	<u>32,744</u>	<u>73,184</u>
Receipts over (under) Expenditures	(14,099)	(13,917)	(1,364)
Unencumbered cash, July 1	14,155	33,571	1,364
Unencumbered cash, June 30	\$ 56	\$ 19,654	\$ 0

See Independent Auditor's Report.

**Schedule 2 - R**

<u>21st Century Grant</u>	<u>Totals June 30, 2018</u>	<u>Totals June 30, 2017</u>
\$ 0	\$ 439,504	\$ 591,558
14,781	14,781	21,977
<u>0</u>	<u>0</u>	<u>53,093</u>
<u>14,781</u>	<u>454,285</u>	<u>666,628</u>
43,885	364,374	444,398
0	15,493	11,550
3,141	27,221	29,894
18	6,276	7,263
0	0	25,073
0	4,281	6,442
0	250	0
2,823	2,823	11,973
0	4,248	0
0	313	0
0	16,672	6,235
0	10,011	13,146
0	0	44,174
0	2,502	1,479
0	56,996	47,191
<u>0</u>	<u>7,291</u>	<u>0</u>
<u>49,867</u>	<u>518,751</u>	<u>648,818</u>
(35,086)	(64,466)	17,810
<u>36,422</u>	<u>85,512</u>	<u>67,702</u>
<u>\$ 1,336</u>	<u>\$ 21,046</u>	<u>\$ 85,512</u>

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - S****SPECIAL PURPOSE FUNDS  
LOCAL GRANTS****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	<b><u>2017</u> <u>Actual</u></b>	<b><u>2018</u> <u>Actual</u></b>
<b>Cash Receipts</b>		
Casino funds (in 2015 this was net of expenses)	\$ 89,999	\$ 17,291
Grants/donations	<u>13,350</u>	<u>14,003</u>
Total cash receipts	<u>103,349</u>	<u>31,294</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries		
Certified	48,793	18,863
Other Purchased Services	120	280
Casino expenses	73,123	4,247
Grant expenses	<u>979</u>	<u>0</u>
Total expenditures	<u>123,015</u>	<u>23,390</u>
Receipts over (under) expenditures	(19,666)	7,904
Unencumbered cash ,July 1	<u>115,275</u>	<u>95,609</u>
Unencumbered cash, June 30	<u><u>\$ 95,609</u></u>	<u><u>\$ 103,513</u></u>

**Wellington Unified School District NO. 353**

Schedule 2 - T

DEBT SERVICE FUND  
BOND AND INTEREST

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		<u>2018</u>		
	<u>2017</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
<b>Cash receipts</b>				
<b>Taxes and shared revenue:</b>				
Ad valorem tax	\$ 803,253	\$ 36,219	\$ 672,464	\$ (636,245)
Delinquent tax	29,619	38,896	12,680	26,216
Motor vehicle tax	157,846	758,951	118,278	640,673
Recreational Vehicle tax	1,937	1,535	1,548	(13)
Commercial Vehicle Tax	0	0	3,338	(3,338)
Earnings on Investments	68,171	26,481	0	26,481
<b>State Sources</b>				
State Aid	<u>1,199,540</u>	<u>1,230,943</u>	<u>884,075</u>	<u>346,868</u>
Total cash receipts	<u>2,260,366</u>	<u>2,093,025</u>	<u>\$ 1,692,383</u>	<u>\$ 400,642</u>
<b>Expenditures</b>				
Principal	1,175,000	1,270,000	\$ 1,270,000	\$ 0
Interest	<u>1,005,982</u>	<u>889,549</u>	<u>889,549</u>	<u>0</u>
Total expenditures	<u>2,180,982</u>	<u>2,159,549</u>	<u>\$ 2,159,549</u>	<u>\$ 0</u>
Receipts over (under) expenditures	79,384	(66,524)		
Unencumbered cash, July 1	<u>1,782,996</u>	<u>1,862,380</u>		
Unencumbered cash, June 30	<u>\$ 1,862,380</u>	<u>\$ 1,795,856</u>		

See Independent Auditor's Report.



**Wellington Unified School District NO. 353****Schedule 2 - U****CAPITAL PROJECTS FUND  
CAPITAL PROJECTS - HIGH SCHOOL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended June 30, 2018  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	<b><u>2017 Actual</u></b>	<b><u>2018 Actual</u></b>
<b>Cash receipts</b>		
Other	\$ <u>13,241</u>	\$ <u>0</u>
<b>Expenditures</b>		
Other	<u>54,931</u>	<u>0</u>
Receipts over (under) expenditures	(41,690)	0
Unencumbered cash, July 1	<u>566,690</u>	<u>525,000</u>
Unencumbered cash, June 30	\$ <u><u>525,000</u></u>	\$ <u><u>525,000</u></u>

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****Schedule 2 - V****TRUST FUND  
SCHOLARSHIPS****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<b><u>2017 Actual</u></b>	<b><u>2018 Actual</u></b>
<b>Cash receipts</b>		
Contributions and interest income	\$ 101,463	\$ 238,840
<b>Expenditures</b>		
Scholarships awarded	<u>91,558</u>	<u>97,450</u>
Receipts over (under) expenditures	9,905	141,390
Unencumbered cash, July 1	<u>137,709</u>	<u>147,614</u>
Unencumbered cash, June 30	<u><u>\$ 147,614</u></u>	<u><u>\$ 289,004</u></u>

See Independent Auditor's Report.

**Wellington Unified School District NO. 353**

**Schedule 3**

AGENCY FUNDS  
STUDENT ORGANIZATION ACCOUNTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES  
REGULATORY BASIS  
For the Year Ended June 30, 2018

<b>Fund</b>	<b>Beginning Cash Balance</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Ending Cash Balance</b>
<b>Student Organization Accounts</b>				
<b>High School</b>				
Band Club	\$ 974	\$ 21,513	\$ 21,815	\$ 672
B.P.A. Club	2,476	13,828	14,443	1,861
Cheerleading	2,612	24,990	26,503	1,099
Circle of Friends	19	168	0	187
Clay Target Team	3,146	3,799	3,018	3,927
Color Guard	522	0	381	141
Crimson Dancers	407	4,782	3,316	1,873
Crusader Creator	2,800	487	1,738	1,549
Crusader Way	1,164	2,204	2,396	972
FCA	1,036	2,017	1,578	1,475
FCCLA	1,477	1,647	1,949	1,175
FFA Club	5,443	19,357	20,502	4,298
FFA - Test Farm	20,199	0	540	19,659
FFA - National Convention	7,061	0	3,803	3,258
FFA - Plant Sale	4,397	6,042	4,763	5,676
Forensics	0	160	160	0
NHS	6,061	2,465	2,673	5,853
Industrial Technology Projects	2,361	458	0	2,819
Junior Class	2,764	7,290	6,204	3,850
Key Club	4,458	0	0	4,458
Leadership	826	231	765	292
Library Club	1,786	106	385	1,507
Power lifting	455	0	0	455
SADD	2,548	2,558	2,585	2,521
SAVE	591	1,029	457	1,163
Scoreboard Advertising	3,753	945	3,317	1,381
Special Ed Club	262	0	262	0
Speech Club	356	5,036	3,983	1,409
Sports Calendars	730	14,447	13,936	1,241
Student Council	3,169	14,305	13,692	3,782
Vo-Ag Students	3,790	436	2,044	2,182
Vocal Music Club	531	32,355	27,687	5,199
Yearbook Club	2,004	4,417	3,264	3,157
<b>Total Wellington High School</b>	<b>90,178</b>	<b>187,072</b>	<b>188,159</b>	<b>89,091</b>
<b>Fundraisers</b>				
<b>High School</b>				
Baseball Fundraiser	2,472	4,362	3,627	3,207
Basketball Fundraiser	89	880	953	16
WHS Football	816	7,423	7,157	1,082
Golf Fundraiser	0	2,875	2,741	134
Volleyball Fundraiser	1,044	2,386	2,183	1,247
Wrestling Fundraiser	1,637	2,811	2,975	1,473

See Independent Auditor's Report.

## Wellington Unified School District NO. 353

Schedule 3AGENCY FUNDS  
STUDENT ORGANIZATION ACCOUNTSSCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES  
REGULATORY BASIS

For the Year Ended June 30, 2018

<b>Fund</b>	<b>Beginning Cash Balance</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Ending Cash Balance</b>
<b>Fundraisers - continued</b>				
<b>High School</b>				
Softball Fundraiser	\$ 860	\$ 2,824	\$ 2,413	\$ 1,271
Basketball Fundraiser	0	1,114	692	422
Tennis (girls)	642	0	370	272
Cross Country fundraiser	22	0	0	22
Girls P.S. & Q	427	2,450	2,498	379
Special K Fundraiser	284	2,513	2,259	538
Girls Athletics	184	0	0	184
History Travel	504	7,850	7,854	500
Crusaders To DC	1,132	33,641	33,455	1,318
Girls Golf	0	3,382	2,417	965
Total Wellington High School	10,113	74,511	71,594	13,030
<b>Scholarships/Donations - in activity fund account</b>				
Function code 0305	0	9,507	500	9,007
Function code 0306	0	16,000	8,000	8,000
Function code 0308	0	569	0	569
Function code 0309	0	56,000	50,000	6,000
Function code 0317	0	5,637	1,000	4,637
Function code 0318	0	3,008	0	3,008
Function code 0319	0	517	0	517
Function code 0320	0	311	0	311
Function code 0345	0	3,000	500	2,500
Function code 0346	0	4,500	500	4,000
Function code 0347	0	1,000	500	500
Function code 0348	0	5,000	5,000	0
Function code 0351	0	500	500	0
Function code 0352	0	850	0	850
Donations	0	2,047	0	2,047
WHS ACT	0	3,610	0	3,610
WHS ACT	0	3,009	0	3,009
	0	115,065	66,500	48,565

See Independent Auditor's Report.

## Wellington Unified School District NO. 353

Schedule 3AGENCY FUNDS  
STUDENT ORGANIZATION ACCOUNTSSCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES  
REGULATORY BASIS  
For the Year Ended June 30, 2018

<b>Fund</b>	<b>Beginning Cash Balance</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Ending Cash Balance</b>
<b>Junior High School:</b>				
After School Club	\$ 2,344	\$ 0	\$ 2,344	\$ 0
Annual Club	8,256	2,795	2,200	8,851
Art Club	721	0	0	721
FACS	0	830	830	0
Basketball	0	2,208	2,168	40
Book Fair	412	1,295	1,286	421
Cheerleaders	14	2,830	2,737	107
Circle of Friends	164	11,236	9,842	1,558
Casino Club	2,125	0	289	1,836
Fellowship of C	1,264	1,871	2,327	808
Fund Raiser Club	12,577	23,661	24,377	11,861
Greenhouse	0	285	25	260
Golf Club	207	0	0	207
Jersey Club	53	0	0	53
Library Club	3,046	530	313	3,263
Letter Jacket Club	390	260	0	650
Music Club	844	973	1,456	361
Pennies for Pat	0	502	502	0
Spelling Bee	606	550	570	586
Student Leaders	1,069	1,093	1,234	928
Track Club	14	796	756	54
Volleyball Club	0	732	722	10
Wrestling Club	107	0	0	107
Projector Fund	1,955	2,859	1,480	3,334
Total Wellington Junior High	36,168	55,306	55,458	36,016
<b>Total Student Organization Funds</b>	<b>\$ 136,459</b>	<b>\$ 431,954</b>	<b>\$ 381,711</b>	<b>\$ 186,702</b>

**Wellington Unified School District NO. 353**

**Schedule 4**

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES  
REGULATORY BASIS  
For the Year Ended June 30, 2018

	<u>Beginning Unencumbered Cash</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Unencumbered Cash</u>
<b>Gate receipts</b>				
Wellington High School Athletics	\$ 3,448	\$ 59,189	\$ 58,239	\$ 4,398
Wellington Junior High School Athletics	17,450	21,017	22,575	15,892
Total Gate Receipts	<u>\$ 20,898</u>	<u>\$ 80,206</u>	<u>\$ 80,814</u>	<u>\$ 20,290</u>
<b>School projects</b>				
Wellington High School				
ACT Test Prep	\$ 0	\$ 2,770	\$ 2,740	\$ 30
Building Rental	9,933	5,020	4,244	10,709
Incentives	10,032	6,433	10,489	5,976
PSAT/NMSQT	0	1,002	998	4
Returned Check	230	0	0	230
Positive Behavior	0	576	531	45
Total Wellington High School	<u>20,195</u>	<u>15,801</u>	<u>19,002</u>	<u>16,994</u>
Wellington Junior High School				
Interest	808	125	0	933
Vendor Club	2,750	1,334	1,519	2,565
Wellington Lincoln Elementary				
Activities	3,583	3,667	6,175	1,075
Wellington Washington Elementary				
Activities	2,279	14,671	12,861	4,089
Wellington Kennedy Elementary				
Activities	5,346	10,768	13,608	2,506
Wellington Eisenhower Elementary				
Activities	1,936	15,078	16,046	968
Subtotal School Projects	<u>16,702</u>	<u>45,643</u>	<u>50,209</u>	<u>12,136</u>
<b>User Fees</b>				
Wellington High School				
Graphic Arts	629	53	366	316
Student Class	0	30,337	21,710	8,627
Other	0	185	0	185
Computer Graphics	779	673	272	1,180
Total Wellington High School	<u>1,408</u>	<u>31,248</u>	<u>22,348</u>	<u>10,308</u>
Wellington Junior High School				
6th Technology	0	92	92	0
7th Technology	0	89	89	0
8th Technology	0	69	69	0
Chromebook Tech	0	2,464	2,344	120

See Independent Auditor's Report.

**Wellington Unified School District NO. 353****DISTRICT ACTIVITY FUNDS**

**SCHEDULE OF RECEIPTS, EXPENDITURES  
 AND UNENCUMBERED CASH  
 REGULATORY BASIS  
 For the Year Ended June 30, 2018**

	<u>Beginning Unencumbered Cash</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Unencumbered Cash</u>
<b>User Fees - continued</b>				
<b>Wellington Junior High School - continued</b>				
Agenda	\$ 0	\$ 1,330	\$ 1,330	\$ 0
Art	0	782	782	0
Band fees	0	310	310	0
Book rental	0	8,595	8,595	0
Central Office	91	1,563	1,651	3
Drivers education	0	12,050	12,050	0
Basketball Club	114	1,324	853	585
Lockers	0	815	815	0
Physical ed tow	0	922	922	0
Vocal fees	0	140	140	0
Other	0	75	0	75
	<u>205</u>	<u>32,497</u>	<u>31,919</u>	<u>783</u>
Total User Fees				
	<u>205</u>	<u>32,497</u>	<u>31,919</u>	<u>783</u>
<b>Revolving accounts</b>				
Special Ed Revolving account	0	487	0	487
Superintendent Revolving account	0	109	0	109
Food Service Revolving account	0	1,508	0	1,508
Century Connect - World Pay Report	0	1,770	0	1,770
Principal Revolving	0	71	0	71
	<u>0</u>	<u>3,945</u>	<u>0</u>	<u>3,945</u>
Total User Fees				
	<u>0</u>	<u>3,945</u>	<u>0</u>	<u>3,945</u>
<b>Sales Tax</b>				
Wellington High School Sales Tax	53	6,609	5,899	763
	<u>53</u>	<u>6,609</u>	<u>5,899</u>	<u>763</u>
Wellington Junior High School Sales Tax	(9)	2,373	2,223	141
	<u>(9)</u>	<u>2,373</u>	<u>2,223</u>	<u>141</u>
Total district activity funds	\$ <u>38,554</u>	\$ <u>138,116</u>	\$ <u>131,600</u>	\$ <u>45,070</u>

**Wellington Unified School District NO. 353**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REGULATORY BASIS  
For the Year Ended June 30, 2018

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Revenues</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
<u>Passed-through Kansas Department of Education</u>			
<u>Special Ed Cluster</u>			
Special Education - Grants to States Title VI	84.027	\$ 392,566	\$ 392,566
Special Education - Preschool Grant Title VI	84.173	<u>18,856</u>	<u>18,856</u>
		<u>411,422</u>	<u>411,422</u>
 Title I - Grants to Local Educational Agencies	 84.010	 348,857	 362,956
Carl Perkins	84.048	18,827	32,744
Student Support & Academic Enrichment Grants	84.424A	0	35,086
Title II A - Improving Teacher Quality	84.367	<u>71,820</u>	<u>73,184</u>
		<u>439,504</u>	<u>503,970</u>
 Total U.S. Department of Education		 <u>850,926</u>	 <u>915,392</u>
 <u>U.S. Department of Agriculture</u>			
<u>Passed-through Kansas Department of Education</u>			
<u>Child Nutrition Cluster</u>			
School Breakfast Program	10.553	85,466	85,466
National School Lunch Program	10.555	381,210	381,210
Summer Food Service Program for Children	10.559	<u>12,283</u>	<u>12,283</u>
		<u>478,959</u>	<u>478,959</u>
 Child and adult care food program	 10.558	 61,122	 61,122
State Administrative Expenses for Child Nutrition	10.560	14,188	14,188
Team nutrition training grants	10.574	5,945	5,945
Fresh Fruit & Vegetables	10.582	<u>25,365</u>	<u>25,365</u>
		<u>106,620</u>	<u>106,620</u>
 Total U.S. Department of Agriculture		 <u>585,579</u>	 <u>585,579</u>
 <u>U.S. Department of Agriculture</u>			
<u>Passed-through Kansas Department of Education</u>			
Cooperative Agreement to Promote Adolescent Health Through School-based HIV/STD Prevention & School-based Surveillance	93.079	<u>150</u>	<u>150</u>
 Total Revenue and Expenditures of Federal Awards		 <u>\$ 1,436,655</u>	 <u>\$ 1,501,121</u>

The District did not provide federal awards to subrecipients for the year ended June 30, 2018

The accompanying notes are an integral part of this statement.

See Independent Auditor's Report.



## **Wellington Unified School District NO. 353**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** **For the year ended June 30, 2018**

#### **NOTE A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 353 under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of Unified School District Number 353, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Unified School District Number 353.

#### **NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule of Expenditures of Federal Awards are reported based upon the Kansas Municipal Audit and Accounting Guide.

#### **NOTE C. INDIRECT COST RATE**

Unified School District Number 353 did not use the standard indirect cost rate of 10%.

## Special Reports

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Wellington Unified School District Number 353  
Wellington, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Wellington Unified School District Number 353 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which comprise the District's regulatory basis financial statements, and have issued our report thereon dated November 2, 2018. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Apler & Gaddert, Chartered*

Ottawa, Kansas  
November 2, 2018



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Board of Education  
Wellington Unified School District Number 353  
Wellington, Kansas

### **Report on Compliance for Each Major Federal Program**

We have audited Wellington Unified School District Number 353's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### **Report Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon requirements of *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

*Ogden & Goodert, Chartered*

Ottawa, Kansas  
November 2, 2018

**Wellington Unified School District No. 353**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
REGULATORY BASIS  
For the Year Ended June 30, 2018**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP	<u>Adverse</u>
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None noted</u>
Noncompliance material to financial statements noted?	<u>No</u>

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None noted</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal awards	<u>No</u>

Identification of major programs:

**CFDA**

<b><u>Number</u></b>	<b><u>Name of Federal Program or Cluster</u></b>	<b><u>Amount</u></b>
<b><u>Special Education Cluster</u></b>		
84.027	School breakfast program	\$ 392,566
84.173	National school lunch program	18,856
	Total for Special Education Cluster	<u>411,422</u>
84.010	Title I Low Income	<u>362,956</u>
		<u>\$ 774,378</u>
	Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
	Auditee qualified as a low-risk auditee?	<u>No</u>